

*The increase of +13% in EBITDA drives the growth in recurring EPS.*

## Colonial increases its Recurring Net Profit per share by +8%, reaching €129m

- Recurring Net Profit of €129m, +8% vs. the previous year
- Revenues of €279m, +7% vs. the previous year (+8% "like for like")
- Net Rental Income growth of +10% vs. the previous year, one of the highest in the sector
- Group EBITDA of €232m, +13% vs. the previous year
- 113.285m<sup>2</sup> sqm of letting volume, replicating historically high levels
- Occupancy levels improve by 168 basis points in September 23, reaching 97%
- Total disposals to date amount €574m, disposal prices in line with appraisals
- 100% of det debt at fixed cost with a 1.72% spot interest rate
- Excellence in ESG: GRESB 2023 5-star rating, 4th year in a row

**Madrid, 9th November, 2023**

The Colonial Group closed the third quarter of 2023 with an increase in the Recurring Results driven by the strong growth in rental income.

**Juan José Brugera, Chariman of Colonial**, explained that "the figures for the third quarter show a significant increase in recurring earnings per share, continuing the positive trend of previous years." Additionally, **Brugera** has pointed out that "the double-digit increase in EBITDA, in combination with fixed financial costs, allows us to offer one of the best responses in the European real estate sector to the current environment."

According to **Pere Viñolas, CEO of the Company**, "Our commitment to the best assets in the market has once again enabled us to sign a high volume of contracts, capturing the maximum rents in the market and consolidating one of the highest occupancy ratios in the sector."

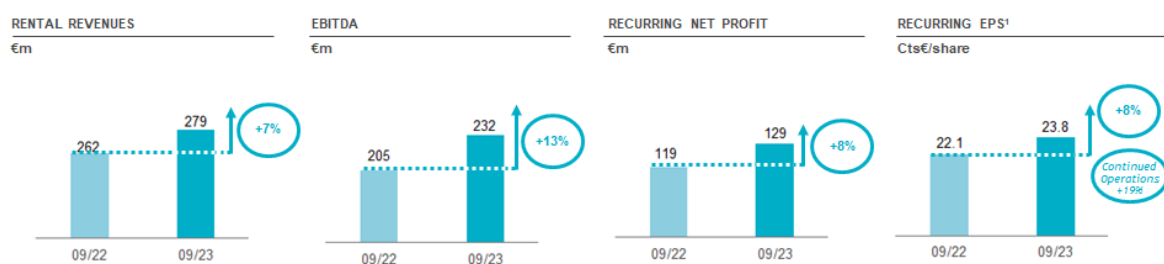
"As part of our commitment to high-quality buildings and value generation through urban transformation projects, the Colonial Group continues to recycle capital by divesting non-strategic and/or secondary assets at market prices, allowing us to maximize value creation for our shareholders" assures **Viñolas**.

## The strong increase in EBITDA boosts the recurring EPS

### 1. Recurring EPS on continued operations<sup>2</sup> with +19% growth

El Grupo Colonial ha cerrado el tercer trimestre del ejercicio 2023 con un incremento de los resultados recurrentes impulsados por el elevado crecimiento de ingresos.

- Rental revenues of €279m, +7% vs the previous year
- Group EBITDA of €232m, +13% vs the previous year
- Recurring Net Profit of €129m, +8% vs. the previous year
- Recurring Net Profit per share of €23.8cts, +8% vs. the previous year
- Recurring EPS on continued operations<sup>2</sup>, +19% vs. the previous year

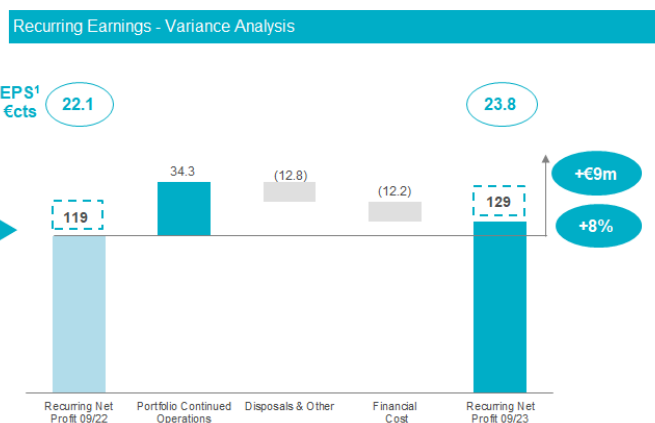


The Recurring Net Profit increased based on solid growth in rental income. The *growth in income* was achieved through a combination of factors: 1) the capacity to *capture the indexation impact*, 2) the *growth in rental prices and an increase in occupancy*, complemented by 3) additional income from *project deliveries*.

The efficient management of operating costs has resulted in an **EBITDA growth of +13% year-on-year**, which has led to an increase of +8% in the Recurring Net Profit, reaching €129m.

The execution of the disposal program has meant that the increase in the net results was lower. Excluding this impact of the active management of the portfolio, **the Recurring Net Profit of the continued operations<sup>2</sup> has grown +19% compared to the previous year.**

Profit & Loss Account - €m	3Q 2023	3Q 2022
Gross Rents	279	262
Recurring EBITDA	233	207
Recurring financial result	(71)	(58)
Income tax expense & others - recurring	(8)	(9)
Minority interests - recurring	(26)	(21)
<b>Recurring Earnings</b>	<b>129</b>	<b>119</b>
Change in fair value of assets & provisions	(525)	315
Non-recurring financial result & MTM	(1)	(3)
Income tax & others - non-recurring	10	2
Minority interests - non-recurring	89	(35)
<b>Result attributable to the Group</b>	<b>(299)</b>	<b>398</b>



The valuation of the asset portfolio shows a resilient performance with a like-for-like adjustment, resulting in a negative net result of the Group of (€299m). It is worth highlighting that the value variation does not imply a cash outflow.

(1) Recurring Earnings Per Share  
 (2) Adjusted for the impact of asset disposals

## 2. Gross Rental Revenues and Net Rental Income with strong growth

*Income Growth: Polarization & Pan-European Prime Positioning*

Colonial closed the third quarter of 2023 with **€279m of Gross Rental Income, and a Net Rental Income of €261m.**

The Group's income growth is solid, in absolute terms at **+7%**, as well as in comparable terms, with an **increase of +8% like-for-like**, demonstrating the strength of Colonial's prime positioning.

September cumulative - €m	2023	2022	Var	LFL
<b>Gross Rental Income Group</b>	<b>279</b>	<b>262</b>	<b>7%</b>	<b>8%</b>
<i>Gross Rental Income Paris</i>	<i>172</i>	<i>152</i>	<i>13%</i>	<i>8%</i>
<i>Gross Rental Income Madrid</i>	<i>73</i>	<i>74</i>	<i>(2%)</i>	<i>11%</i>
<i>Gross Rental Income Barcelona</i>	<i>34</i>	<i>36</i>	<i>(4%)</i>	<i>3%</i>
<b>Net Rental Income Group</b>	<b>261</b>	<b>237</b>	<b>10%</b>	<b>11%</b>
<i>Net Rental Income Paris</i>	<i>163</i>	<i>143</i>	<i>14%</i>	<i>8%</i>
<i>Net Rental Income Madrid</i>	<i>68</i>	<i>62</i>	<i>8%</i>	<i>20%</i>
<i>Net Rental Income Barcelona</i>	<i>30</i>	<i>31</i>	<i>(0.8%)</i>	<i>10%</i>

The **+8%** increase in income like-for-like is among the highest in the sector and is a clear reflection of the market polarization towards the best offices product.

Particularly worth highlighting are the portfolios in **Madrid (+11% like-for-like)** and in **Paris (+8% like-for-like)**.

## Solid operating fundamentals in all segments

### 1. Strong letting performance

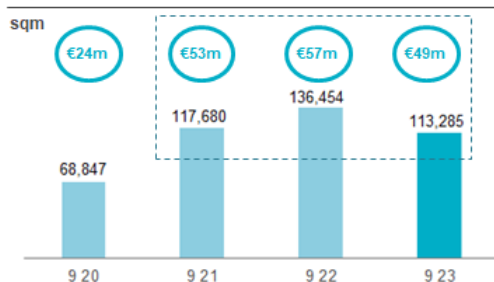
The prime asset portfolio once again captured a **historic high volume** of signed contracts, **74 rental contracts, corresponding to 113,285 sqm**. In economic terms, contracts were signed an annualized value of €49m.

These solid commercial results are clear evidence of the polarization trend in the office markets, marked by a demand that prioritizes top-quality Grade A products in the CBD.

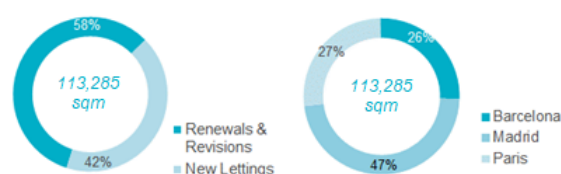
The volume of contracts signed in 2023 was lower compared to the same period of the previous year. This is mainly due to the 23,000 sqm signed on the Biome asset in 2022. Excluding the pre-letting of Biome, the letting activity of 2023 to date is in line with the previous year.

#### LETTING ACTIVITY REMAINS SOLID AT THE END OF THIRD QUARTER

##### SQM SIGNED



##### BREAKDOWN OF LETTING ACTIVITY

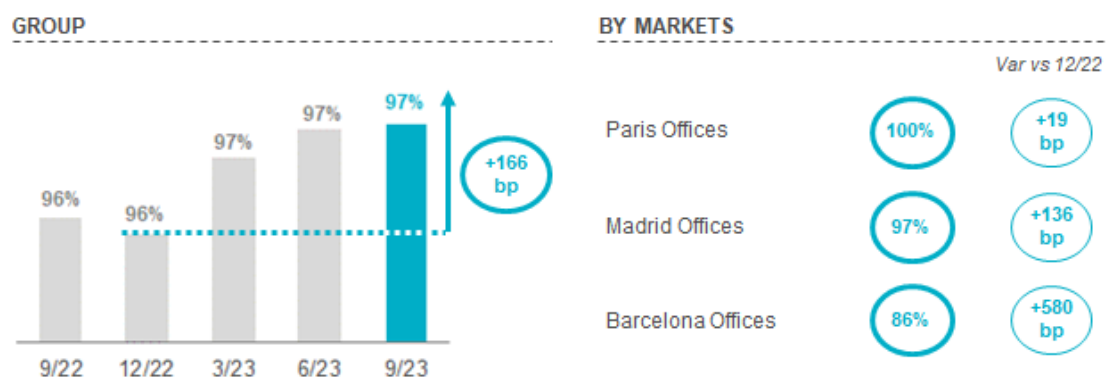


In cumulative terms, highlighted is the high letting volume signed in the Madrid market, amounting to 53,761 sqm, of which 78% (41,896 sqm) corresponds to renewals, and the rest (11,865 sqm) corresponds to new contracts signed.

## 2. Solid occupancy levels

The occupancy of the Colonial Group stands at 97%, reaching one of the highest ratios in the sector. Of special mention is the Paris portfolio with full occupancy at 100%, followed by the Madrid portfolio at 97%.

### EPRA OFFICES OCCUPANCY



It is worth mentioning that the current vacancy in the Barcelona portfolio is concentrated on the entries into operation of the renovation programs of Torre Marenostrom, Illacuna, and the secondary building in Sant Cugat. Excluding these three assets, the occupancy of the rest of the Barcelona portfolio is at 98%.

## 3. Rental Increase – Polarization & Pricing Power

*Pricing Power – Capturing of the indexation in all contracts with an average growth of +5%*

Thanks to its prime client portfolio, the Colonial Group has captured the impact of the indexation on rental prices, applying the corresponding update on rents in all contracts.

As a result of the indexation on the contract portfolio, at the close of the third quarter of 2023, the annualized passing rents of the corresponding contracts have increased by +5% (+3% in Spain and +6% in Paris).

*Pricing Power – Acceleration of growth in market rents<sup>1</sup>*

In the third quarter of 2023, the Colonial Group registered a growth of +11% in signed office rents compared to market rents (ERV) as at 31 December 2022 (+9% on office contracts).

The highest increases in rental prices were signed on the Paris portfolio with a +16% increase compared to market rents at 31 December 2022 (up +12% vs. the offices market rents).

*Pricing Power - Increase in rental renewals, Release spreads<sup>2</sup> of +6%*

At the close of the third quarter of 2023, the Colonial Group increased the office rents with current clients by +6% compared to the previous rents (release spreads).

Worth mentioning is the Paris office portfolio with a release spread of +11%.

(1) Signed rents vs ERVs at 31/12/2022 (ERV 12/22)  
 (2) Signed rents on renewals vs previous rents

## Project Pipeline

### Pipeline de proyectos prácticamente entregado y pre-alquilado

El Grupo Colonial cuenta con una **cartera de proyectos de 183.885m<sup>2</sup>, distribuidos en 8 activos.**

**In the third quarter of 2023, the Louvre Saint Honoré project was delivered. This delivery took place before the estimated delivery date and at maximum returns.**



At the close of the third quarter of 2023, **7 out of the 8 projects in the project pipeline have been fully delivered.** The only ongoing project is the Méndez Álvaro Campus (located in the South of the Castellana in Madrid) with an estimated delivery date at the beginning of 2024.

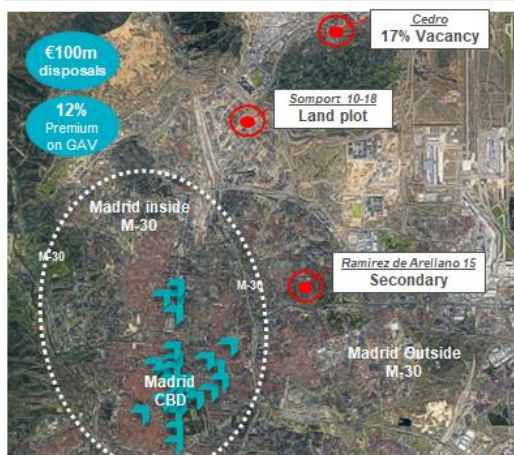
- High degree of progress in deliveries/entries into operation: 7 out of 8 projects delivered confirming a yield on cost from 6 to 7%**
- High degree of pre-letting in the portfolio: 7 out of 8 projects:** Out of the 8 projects in the project pipeline, 7 are already pre-let. After the close of the third quarter, the remaining surface area was signed on the Velázquez 86D asset (1,100 sqm signed at record rental prices). Currently, the only surface still available is Campus Méndez Álvaro, the commercialization of which began at the end of 2022.

## Disposal Program

**In the third quarter of 2023 and subsequently in October 2023, the Colonial Group registered asset disposals for €100m.**

Specifically, **the disposals of two non-strategic assets in peripheral locations were closed in the north of Madrid: the land plot Puerto Somport in the sub-market of Las Tablas, and the Cedro building, located in the secondary area of Madrid in Alcobendas, with a vacancy of 17%. In addition, the disposal of Ramírez Arellano 15 asset was closed.** It is a small, secondary building, in the A2 area of Madrid.

DISPOSAL OF CEDRO, PUERTO SOMPORT 10-18 & RAMÍREZ ARELLANO 15

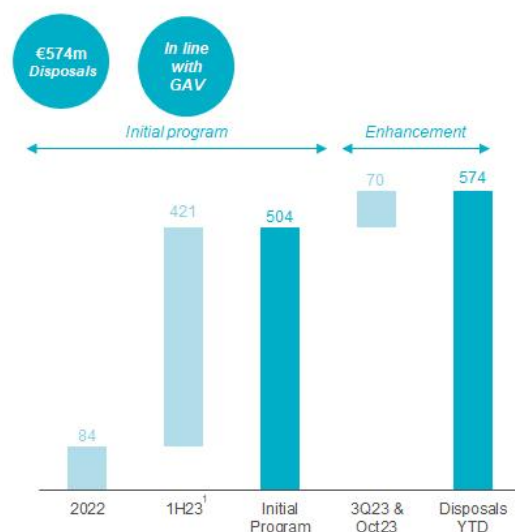


Asset Sales

- ▶ Land plot in Madrid's Periphery
- ▶ 17% vacant asset in Madrid secondary
- ▶ Small property size in secondary area
- ▶ Institutional investors
- ▶ Multinational for own use
- ▶ Family Office

Buyers

ENHANCEMENT OF THE DISPOSAL PROGRAM



<sup>1</sup> Disposals of Puerto Somport in July 2023

---

## ESG Strategy

### *Consolidation of leadership in the GRESB rating*

Colonial has confirmed its leadership in ESG and specifically the sustainable management of its asset portfolio, which is advancing on the path towards carbon neutrality.

This fact is reflected in the score of 94 out of 100 by the Global Real Estate Sustainability Benchmark index (GRESB) for the real estate portfolio, improving the rating from the previous year by 4 points and rising to third place among the 100 listed European real estate companies included in the Standing Investments Benchmark.



In the area of sustainable project management, Development Benchmark, Colonial has achieved a rating of 98 out of 100, improving its rating by 2 points compared to the previous year.

In both indicators, Colonial has received a 5-star rating for the 4<sup>th</sup> consecutive year, which demonstrates its leadership together with the other companies in the index, with ratings equal to or higher than 90 out of 100. Since 2017, Colonial has continuously increased its ratings, scaling 34 points in the Standing Investments Benchmark indicator.

## Capital Structure

**At the close of the third quarter of 2023, the Colonial Group had a solid balance sheet, with an LTV of 39% and a liquidity of €2,733m.**

In the third quarter of 2023, the Group executed a large part of its disposal program, as well as other financial protection measures that have allowed it to reduce its net debt by €240m and expand its average maturity, increasing its liquidity by c.€300m, totally eliminating the mortgage-secured debt, reaching a fixed/hedged debt ratio of 100% and maintaining the same financial costs in an environment of interest rate hikes by the Central European Bank.

The liquidity of the Colonial Group amounts to €2,733m between cash and undrawn credit lines, enabling the Colonial Group to cover all its debt maturities until 2027.

the Colonial Group has maintained its financial cost at very stable levels (1.72% vs 1.71% in December 2022), thanks to its interest rate risk management policy.

The strong financial profile of the Group is reflected in its BBB+ credit rating, confirmed in the third quarter of 2023, by Standard & Poor's, the highest rating in the Spanish real estate sector.

---

### About Colonial

Colonial is a Spanish listed REIT company (SOCIMI), leader in the European Prime office market with presence in the main business areas of Barcelona, Madrid, and Paris with a prime office portfolio of more than 1 million sqm of GLA and assets under management with a value of more than €12bn.



"The information included in this document should be read together with all of the public information available, particularly the Company's website [www.inmocolonial.com](http://www.inmocolonial.com)"

For more information:  
Román: 93 414 23 40  
Xavier Ribó – [x.ribo@romanrm.com](mailto:x.ribo@romanrm.com) / Víctor Palacio – [v.palacio@romanrm.com](mailto:v.palacio@romanrm.com)